



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Robert L. Morgan
Executive Director

Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
(801) 538-5340 telephone
(801) 359-3940 fax
(801) 538-7223 TTY
www.nr.utah.gov

December 8, 2003

CERTIFIED RETURN RECEIPT
7099 3400 0016 8896 3205

Aaron Hancock
Director of Mining and Transportation
Interpace Industries, Inc.
736 West Harrisville Road
Ogden, Utah 84404

Re: Tentative Approval to Amend Large Mining Operations, Interpace Industries, Inc. Clinton Clay Pit, M/049/006, Utah County, Utah

Dear Mr. Hancock:

The Division has completed a review of your latest response, received September 24, 2003, to our August 12, 2003, deficiency review letter. After reviewing this latest information, the Division is now prepared to grant tentative approval of the Clinton Clay Pit amended large mining permit application.

Prior to issuing final approval, we require that you provide us with:

1. Two copies of the complete and corrected plan. When final approval is issued, one copy will be stamped "approved" and returned to you for your records;
2. A revised Reclamation Contract (Form MR-RC) must be completed and filed with this office. It must be attached to the reclamation surety for this project. The new reclamation surety amount is \$589,500.00. Please let us know the type of surety you propose to post so we can provide you with the appropriate form. Please provide us with a draft copy of the completed reclamation contract and surety form before they are finalized, so we can review them for completeness and accuracy.

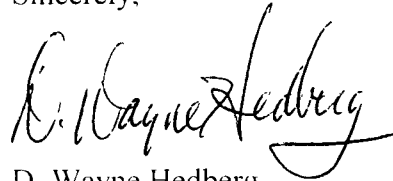
If the required surety and Reclamation Contract are not received prior to January 30, 2004 (or arrangements made as to when they will otherwise be submitted), we will withdraw our Tentative Approval and return the amended notice to you.

Aaron Hancock
Page 2 of 2
M/049/006
December 8, 2003

Please be advised that **you are not authorized to create any mining related surface disturbance within the amended area until you have received final written approval from this Division, as well as any other agency involved with the permitting process.**

Thank you for your cooperation and patience in completing this permitting process. If you have any questions regarding this letter, please contact me at (801) 538-5286 or Lynn Kunzler at 538-5310.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Wayne Hedberg". The signature is fluid and cursive, with the first name "D." and last name "Hedberg" clearly distinguishable.

D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program

jb
Enclosure
cc Buck Rose, Utah County
O:\M049-Utah M0490006-ClintonPit\mal\ent-apv-12082003.doc

RECLAMATION SURETY ESTIMATE					
Interpace Industries, Inc		last revision		12/02/03	
Clinton Clay Pit		filename M049-006.xls			
DOGM file Number M/049/006		Utah County			
Prepared by Utah State Division of Oil, Gas & Mining					
This bond is calculated for the reclamation of the East mining area.					
Note: actual unit costs may vary according to site conditions					
last unit cost update				10/07/02	
-Amount of disturbed area which will receive reclamation treatments =				44.0 acres	
-Estimated total disturbed area for this mine =				44.0 acres	
Activity	Quantity	Units	\$/unit	\$	Note
Safety gates, berms, barriers, etc - D8 Cat	20	hours	246	4920	
Backfilling, grading, & contouring					
North wall of Lehi Cut (100' push) - D8 Cat	2	acre	9000	18000	
East wall of gravel pit (50' push) - D8 Cat	3	acre	3000	9000	
Regrading & ripping of waste dump tops & slopes - D8 Cat	5	acres	1500	7500	
Regrading & ripping stockpile and compacted areas					
135H Grader	1	acre	700	700	
D8 Cat	43	acres	246	10578	
Composted manure (10 ton/acre)	44	acre	320	14080	
Broadcast seeding	44	acre	240	10560	
Manual labor to assit with revegetation	40	hours	15	600	
General site cleanup & trash removal	22	acre	50	1100	
Equipment mobilization					
D8 Cat	2	moves	400	800	
135H Grader	2	moves	300	600	
Reclamation supervision - 15% of total reclamation estimate				12873	
	Subtotal			91311	
10% Contingency				9131	
	Subtotal			100442	
Escalate for 5 years at 2.89% per year				15377	
	Total			115819	
Rounded surety amount in year 2008 \$				115800	
Average cost per disturber acre =				2632	

Reclamation Surety Estimate Totals for Combined Areas		
East Mining Area	44 Acres	\$115,800
West Mining Area	24 Acres	\$126,700
Middle Area - East Mining Area	36 Acres	\$347,000
Total Bonding Required		\$589,500

RECLAMATION SURETY ESTIMATE		last revision		12/02/03
Interpace Industries, Inc		filename M049-006 WB2		
Clinton Clay Pit		Utah County		
DOGM file Number M/049/006				
Prepared by Utah State Division of Oil, Gas & Mining				
<p>This bond is calculated for the Middle 36 acres - East Mining Area</p>				
Note: actual unit costs may vary according to site conditions		last unit cost update		10/07/02
-Amount of disturbed area which will receive reclamation treatments =				36.0 acres
-Estimated total disturbed area for this mine =				36.0 acres
<u>Activity</u>	<u>Quantity</u>	<u>Units</u>	<u>\$/unit</u>	<u>\$</u>
Safety gates, berms, barriers, signs, etc. D8 Cat	10 hours		246	2460
Backfilling, grading, & countouring				
Waste Dump A	D8 Cat	5 acres	7200	36000
Waste Dump B	D8 Cat	5 acres	3000	15000
Waste Dump C	D8 Cat	3 acres	3000	9000
North Mountain push (southward 100')	D8 Cat	3 acres	12000	36000
South slope of waste dump A				
320 Cat trackhoe & D300E Cat truck	20000 CY		1.75	35000
D8 Cat (to bring slope to 3:1)	1.75 acres		3000	5250
Miscellaneous	D8 Cat	40 hours	246	9840
Regrading & ripping of waste dump tops & slopes	D8 Cat	13 acres	246	3198
Ripping & regrading storage & compacted areas	D8 Cat	26 acres	246	6396
Revegetation				
Broadcast seeding		36 acres	240	8640
Composted manure & straw		36 acres	320	11520
Manual labor to assist with revegetation		40 hours	15	600
Soil material redistribution & stabilization				
loaded by loader into truck & spread by D8 Cat				
D300E Cat articulated truck, 938G loader & D8 Cat	13,000 CY		4	52000
General site cleanup & trash removal		18 acre	50	900
Equipment mobilization				
D300E Cat articulated truck		4 moves	300	1200
938G Cat wheeled loader		2 moves	300	600
320 Cat trackhoe		2 moves	300	600
D8 Cat - 2 moves		2 moves	400	800
Reclamation supervision - 15% of total reclamation estimate				38602
	Subtotal			273606
10% Contingency				27361
	Subtotal			300967
Escalate for 5 years at 2.89% per year				46077
	Total			347044
Rounded surety amount in year 2008 \$				347000
Average cost per disturber acre =				9640